

FISCAL NOTE

Bill #: SB0388

Title: Transfer juvenile prob officers to Dept. of Corrections & revise youth court act

Primary Sponsor: Tash, B

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$242,690	(\$194,030)
State Special Revenue	(\$55,391)	(\$55,391)
Federal Special Revenue	\$329,800	\$326,620
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	(\$242,690)	\$194,030

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Judiciary

1. This legislation moves 134.70 FTE from the Judicial Branch to Department of Corrections (DOC). The related personal services costs are \$5,771,945 for FY 2004 and \$5,767,383 for FY 2005, plus \$32,454 per year in Judicial Branch pay plan implementation to bring JPO staff to the minimum salary within the classification level.
2. Related Juvenile Probation Officer (JPO) operating costs in the Executive Budget are \$324,238 in FY 2004 and \$324,538 in FY 2005 for office supplies, urine analysis kits, telephone, postage, photocopy expense, maintenance, travel, contract services, and training.
3. The Judiciary provides computers for JPOs (in the executive budget for the 2005 biennium) with state special revenue funding. Anticipated replacement costs for FY 2004 and FY 2005 are \$55,391 per year, based on the approved standard of \$1,351 per computer. In FY 2003, these computer replacements were funded with a Board of Crime Control (BCC) grant. The DOC will fund future replacements either within the budget contained in this fiscal note, or from a requested grant from the BCC.

Fiscal Note Request SB0388, As Introduced

(continued)

4. Cost of data network service is funded with general fund; therefore, this cost would merely transfer from Judiciary to DOC.
5. SB 176 in the 2001 session provided for 8.50 FTE administrative staff for operating the District Courts program. The JPO budget is 35.2 percent of the total requested executive biennial budget for District Court Assumption (\$37,311,620). This percentage applied to the executive budget for personal services and operating of the 8.50 FTE equates to the following:

	<u>FY 2004</u>	<u>FY 2005</u>
FTE	(3.00)	(3.00)
Personal services	(\$178,354)	(\$178,522)
Operating	(\$70,571)	(\$71,458)

Department of Corrections

6. Savings in the DOC budget due to increased ability to coordinate resources and standardize reporting and policies statewide will be a reduction of \$250,000 in FY 2004 and \$500,000 in FY 2005 for the Youth Contingency Fund in the placement costs.
7. Savings in the DOC Executive Budget due to resource allocation and continuum of care administration is estimated at \$200,000 in FY 2005 from Secure Care.
8. DOC will operate the JPO system without the transfer of 3.00 FTE and associated personal services and operating budget from the Judicial Branch.
9. DOC will not continue the grant positions requested by the Judiciary probation program.
10. DOC has budgeted \$138,861 in both FY 2004 and FY 2005 for mental health services. As the bill is currently written, this budgeted amount would transfer to DPHHS.
11. Currently, counties provide office space for Juvenile Probation Officers (JPOs) and their staff. Under this legislation counties are not required to provide office space and this will result in increased rental costs for the state. Rental costs are projected to be \$320,669 in FY 2004 and \$336,734 in FY 2005. These amounts are based on square footage standards and statewide rental rates obtained from Department of Administration, General Services Division.

Department of Public Health and Human Services

Addictive and Mental Disorder Division

12. Section 30 requires a youth court to commit a youth to DPHHS for treatment if the youth is found to be suffering from a mental disorder
13. Per Section 5, commit means to transfer legal custody, so it is assumed that DPHHS will have “legal custody” of the youth until the youth court enters a new order changing the custody status.
14. It is assumed that the youth would be committed to the division responsible for youth mental health services and not to the Child and Family Services Division.
15. Both Sections 32 and 33 amend current statutes regarding the disposition of delinquent youth and state that the youth court may not order the DOC to pay for care, treatment, intervention, placement, or evaluation if it would result in a deficit in the department’s youth placement funds.
16. Based on the amendments in Sections 32 and 33, it seems probable that when DOC placement funds are projecting a deficit, the youth court would be more likely to determine that the youth is suffering from a mental disorder and then commit the youth to DPHHS for treatment. This would result in increased cost to DPHHS, as the agency currently does not serve youth committed to DOC.
17. During FY 2002 the DOC expended \$138,861 for mental health services for about four youth (ADP of 1.88) that were in Pine Hills School. This is estimated to be \$34,715 per placement per year for four youth.
18. A recent estimate has placed the number of youth per year cited by youth courts statewide at 15,000.

Fiscal Note Request SB0388, As Introduced

(continued)

19. DPHHS cannot determine how many of the youth cited by youth courts would be found to be suffering from a mental disorder. Therefore for purposes of this bill it is assumed that 1 percent, or 150, of the youth cited per year will be found to be suffering from a mental disorder. DPHHS would assume legal custody for the 150 youth per year and would have to provide an appropriate mental health placement.
20. As DPHHS cannot determine how many youth will be committed for mental health placement, it will provide a fiscal impact based on increments of 25 youth (or 0.166% of estimated total youth cited by youth courts). For each 25 youth, DPHHS would incur the following costs:
- A) Staff costs – 1 caseworker to manage the services required for the youth placed in the custody of the youth mental health division. (1.00 FTE grade 16 at \$44,276 per year)
 - B) Operating costs for travel and office expenses at \$5,000 per year.
 - C) Estimated cost of an office package set up at \$1,670 for FY 2004.
 - D) Administrative rule changes – 1 at \$3,240 in FY 2004
 - E) Placement costs of \$867,875 per year for 25 youth at an average of \$34,715 each.
 - F) Estimated that 50 percent of the youths would be Medicaid eligible.
 - G) Fifty percent of the administrative costs are funded 50/50 between Medicaid and general fund; the other 50 percent are funded 100 percent general funds.
 - H) Federal Medical Assistance Participation (FMAP) is estimated to be 72.88 in FY 2004 and 72.43 in FY 2005.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Judiciary		
FTE		
JPO	(134.70)	(134.70)
Administrative staff	(3.00)	(3.00)
 <u>Expenditures:</u>		
Personal Services		
JPO	(\$5,804,399)	(\$5,799,837)
Administrative staff	(178,354)	(178,522)
Operating Expenses		
JPO	(324,238)	(324,538)
Administrative staff	(70,571)	(71,458)
Computer replacement	<u>(55,391)</u>	<u>(55,391)</u>
TOTAL	(\$6,432,953)	(\$6,429,746)
 <u>Funding of Expenditures:</u>		
General Fund (01)	(\$6,377,562)	(\$6,374,355)
State Special Revenue (02)	<u>(55,391)</u>	<u>(55,391)</u>
TOTAL	(\$6,432,953)	(\$6,429,746)

Fiscal Note Request SB0388, As Introduced
(continued)

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Department of Corrections		
<u>FISCAL IMPACT:</u>		
FTE	134.70	134.70
<u>Expenditures:</u>		
Personal Services		
JPO	\$5,771,945	\$5,767,383
Operating Expenses		
JPO	324,238	324,538
County rent	320,669	336,734
Mental Health Placement (to DPHHS)	(138,861)	(138,861)
Placement Costs (Youth Contingency Fund)	(250,000)	(500,000)
Secure Care	<u>\$0</u>	<u>(200,000)</u>
TOTAL	\$6,027,991	\$5,589,794
<u>Funding of Expenditures:</u>		
General Fund (01)	\$6,027,991	\$5,589,794
Department of Public Health and Human Services		
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	\$44,276	\$44,276
Operating Expenses	9,910	5,000
Benefits	<u>867,875</u>	<u>867,875</u>
TOTAL	\$922,061	\$917,151
<u>Funding of Expenditures:</u>		
General Fund (01)	\$592,261	\$590,531
Federal Special Revenue (03)	<u>329,800</u>	<u>326,620</u>
TOTAL	\$922,061	\$917,151
Statewide		
<u>Revenues:</u>		
General Fund (01)	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$242,690)	\$194,030
State Special Revenue (02)	55,391	55,391
Federal Special Revenue (03)	(329,800)	(326,620)

Fiscal Note Request SB0388, As Introduced

(continued)

TECHNICAL NOTES:

Judiciary

1. Juvenile Probation Officers are currently officers of the court; they provide “judicial branch” functions. These functions/services are performed without having to go before the judge and are done working with parents and juveniles without hiring the services of an attorney. This legislation moves JPOs to the executive branch of government and provides authority for them to perform judicial branch functions. This may indicate that a separation of powers issue exists.

Department of Corrections

2. Presently, youth on probation who violate the probation terms or commit new offenses are placed in detention. Per 41-5-1807, MCA, the county in which the youth resides pays for these costs. It is not clear if youth on probation under this legislation are under commitment to the DOC for probation supervision and whether DOC will have to pay for probation violation detention costs. One district calculated the cost of detaining probation violation youth for FY 2002. The amount for only one district was \$263,328. If DOC is responsible for these costs, the fiscal impact to the state could be substantial.
3. Additional costs for furniture and other equipment may result from SB 388. The 57th Legislature, through SB 176, provided that District Courts retained the rights to all property related to the functions of the courts. Individual counties may attempt to recover property including furnishings because the court no longer uses the property and the bill is silent on these items.
If office furniture and equipment for the 134.70 FTE must be purchased, the cost will be about \$1,200 per person (desk \$650, chair \$200, bookcase \$150 and file cabinet \$200), a total of about \$160,800. This amount may vary depending on what furnishings DOC can purchase from the counties or if they choose to purchase furnishings through the state surplus property program.
4. SB 176 transferred 31 vehicles statewide from the counties to the District Courts. The bill doesn’t address vehicles, and if counties recover some of these vehicles and DOC has to replace even a portion of them, the cost could be substantial.
5. Another “operating cost” factor to consider is that in some cases, the JPOs share fax and copy machines with the court. It is not known if these “shared-user-agreements” will continue once the JPOs are transferred to the executive branch. The exact number of these agreements is unknown, so an associated cost is not calculable.
6. The bill does not indicate whether the counties will continue to provide office space, which would further reduce the state cost by \$320,669 in FY 2004 and \$336,734 in FY 2005.

Department of Public Health and Human Services

7. Section 47 of the bill voids Section 30 if SB 25 is passed and approved, and includes a section amending 41-5-1504. If SB 25 is passed and approved as mentioned, there will be no fiscal impact to DPHHS.